



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 7, 2000

H.R. 2909 **Intercountry Adoption Act of 2000**

*As ordered reported by the House Committee on International Relations
on March 22, 2000*

SUMMARY

H.R. 2909 would authorize the United States to implement the Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption and would authorize appropriations for that purpose. CBO estimates that those discretionary costs would be less than \$500,000 a year over the 2001-2005 period, assuming appropriation of the necessary amounts. The bill has other provisions that would affect governmental receipts (revenues) and direct spending, but CBO estimates that those effects would be insignificant. Because enactment of H.R. 2909 would affect receipts and direct spending, pay-as-you-go procedures would apply.

Section 4 of the Unfunded Mandates Reform Act (UMRA) excludes from application of that act bills that would be necessary for the ratification or implementation of international treaty obligations. CBO has determined that the provisions of H.R. 2909 would implement the Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption and would thus fall within that exclusion.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For purposes of this estimate, CBO assumes that the initial appropriations for H.R. 2909 would be provided in fiscal year 2001 and that outlays would follow historical spending patterns. The costs of this legislation fall within budget function 150 (international relations) and 750 (administration of justice).

Spending Subject to Appropriation

The bill would provide an open-ended authorization of appropriations for the Departments of State and Justice to meet the requirements of the bill and would authorize new consular fees, which the State Department could spend subject to appropriation action. CBO estimates that the net cost of implementing the bill would be less than \$500,000 annually over the 2001-2005 period.

Department of State. H.R. 2909 would designate the State Department as the central authority responsible for coordinating and implementing international adoptions under the convention. Under current law, the State Department has no routine role in international adoptions. When it does act, it is usually in response to requests from the adopters. The bill would establish an official role for the department and require it to:

- Enter into agreements with nonprofit organizations that would accredit and monitor adoption agencies that would provide services under the convention,
- Monitor the performance of accreditation agencies,
- Monitor and facilitate individual cases of adoption under the convention,
- Provide the Congress with an annual report on international adoptions and the implementation of the convention,
- Establish a registry of all international adoptions, and
- Issue certificates when an adoption under the convention has been finalized.

Based on information from the State Department, CBO estimates the department would spend approximately \$4 million a year to carry out those responsibilities. This estimate includes costs for hiring personnel and contractors and implementing a computerized tracking system to monitor individual adoption cases. To recover those costs, the bill would allow the department to charge a new fee for its services and to retain and spend any collections on consular services, subject to appropriation action. CBO estimates the department would charge a \$200 fee on approximately 20,000 cases each year.

Civil and Criminal Prosecutions. Violators of the provisions of H.R. 2909 would be subject to civil penalties and criminal prosecution. As a result, the federal government would be able to pursue cases that it otherwise would not be able to prosecute. CBO expects that any increase in federal costs for law enforcement, court proceedings, or prison operations would not be significant, however, because of the small number of cases likely to be involved.

Direct Spending and Revenues

Because violators of the provisions of H.R. 2909 could be subject to criminal and civil fines, the federal government might collect additional fines if the bill is enacted. Collections of criminal fines are recorded in the budget as governmental receipts (revenues), which are deposited in the Crime Victims Fund and spent in subsequent years. Civil fines are recorded as receipts and deposited into the general fund of the Treasury. CBO expects that any additional receipts and direct spending would be less than \$500,000 each year.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that the net changes in both outlays and governmental receipts that are subject to pay-as-you-go procedures would be negligible.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

Section 4 of UMRA excludes from application of that act bills that would be necessary for the ratification or implementation of international treaty obligations. CBO has determined that the provisions of H.R. 2909 would implement the Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption and would thus fall within that exclusion.

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